



CALIFORNIA

Technician/AGR Administrative Instruction

National Guard Technicians - CAL NG Active Guard/Reserve

MILITARY DEPARTMENT

P. O. BOX 269101
Sacramento, CA 95826-9101

NUMBER

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EXPIRATION 8 DECEMBER 2003

FLEXIBLE SPENDING ACCOUNT (FSA) PROGRAM 2004 OPEN SEASON 10 NOVEMBER – 8 DECEMBER 2003

1. Flexible Spending Account (FSA) Open Season is 10 November through 8 December 2003 (same as Federal Employees Health Benefits Open Season). Technicians may make elections to participate in one or both FSAs (Health Care FSA and/or Dependent Care FSA). Unlike Premium Conversion, participation in FSA is not automatic; technicians must make an election each year.

2. As shown below, technicians may set up a health care FSA to use for out-of-pocket costs including co-payments and deductibles and for health care expenses not covered by insurance, such as dental services and eye-care. Technicians are also able to set up an account for dependent care expense for children and aging parents.

- **Health Care FSA (HCFSA)** – eligible technicians may use pre-tax allotments to pay for certain health care expenses that are not reimbursed by any other source and not claimed on the employee's income tax return. The maximum amount an employee may set aside in any tax year is \$3,000 and the minimum will be \$250.
- **Dependent Care FSA (DCFSA)** – eligible technicians may use pre-tax allotments to pay for eligible dependent care expenses up to a maximum annual reimbursement of \$5,000 (\$2,500 if the technician is married and filing a separate income tax return).

As with Premium Conversion, technicians may choose to make a voluntary allotment from their salary to their FSA account. Technicians do not pay employment taxes on these allotments.


3. Technicians who elect to participate will identify an annual amount to be contributed to their FSA. These annual elected amounts will be prorated over the number of pay dates in the plan year and deposited into the technician's FSA account(s). Technicians can draw upon their FSA accounts for reimbursement as they incur eligible expenses.

4. Technicians eligible for Federal Employees Health Benefits (FEHB), even if not currently enrolled, are able to elect a healthcare FSA to cover expenses not covered under their FEHB plan.

6. The Office of Personnel Management selected Sykes Health Plan Services, Inc., (SHPS) as the administrator for the FSA program. **Technicians must contact SHPS directly for information about the program and to enroll. The Human Resource Office cannot approve or process enrollments.** The benefit elections are irrevocable once the plan year has begun, unless the technician experiences a qualifying "change in status" event. There are three ways to contact SHPS to enroll: (1) call the toll-free phone number 1-877-372-3337; (2) email fsafeds@shps.net, or (3) use the electronic enrollment system at www.fsafeds.com. Additional information on FSA can be found on the OPM website at <http://www.opm.gov/insure/pretax/fsa/index.asp>.

7. If you need assistance, contact Ms. Lisa Nagata, Human Resources Specialist, at CAGNET 63601, DSN 466-3601, or (916) 854-3601.

FOR THE ADJUTANT GENERAL:


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